

No Securities Commission or similar authority in Canada has in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence.

NEW ISSUE



**CHANGED TO:*
INDUSTRIAL GROWTH MANAGEMENT
LIMITED

AS OF AUG. 14, 1969.

INDUSTRIAL GROWTH FUND LIMITED

(Incorporated under the laws of the Province of Ontario)

60,000 COMMON SHARES
(without par value)

Price: \$7.00 per share

There is at present no public market for these securities and the price thereof was determined by negotiation.

Price to Public	Underwriting Discount	Proceeds to Company (1)
Per Share _____ \$7.00	\$.12	\$6.88
Total _____ \$420,000	\$7,000	\$413,000

(1) Before deducting expenses payable by the Company estimated not to exceed \$15,000.

Transfer Agent and Registrar

The Canada Trust Company

TORONTO

We, as principals, offer these common shares without par value subject to prior sale, if as and when issued by the Company and accepted by us and subject to the approval of all legal matters on behalf of the Company by Messrs. Beaton, Leake & Fellowes, Toronto, Ontario and on our behalf by Messrs. Shibley, Righton & McCutcheon, Toronto, Ontario.

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that share certificates will be available for delivery on or about March 26, 1969.

PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Sections 63 and 64 of The Securities Act, 1966 (Ontario) provide, in effect, that where a security is offered to the public in the course of primary distribution:

- (a) a purchaser will not be bound by a contract for the purchase of such security if written or telegraphic notice of his intention not to be bound is received by the vendor not later than midnight on the second business day after the prospectus or amended prospectus offering such security is received or is deemed to be received by him or his agent; and
- (b) a purchaser has the right to rescind a contract for the purchase of such security, while still the owner thereof, if the prospectus or any amended prospectus offering such security contains an untrue statement of a material fact or omits to state a material fact necessary in order to make any statement therein not misleading in the light of the circumstances in which it was made, but no action to enforce this right can be commenced by a purchaser after the expiration of 90 days from the later of the date of such contract or the date on which such prospectus or amended prospectus is received or is deemed to be received by him or his agent.

Reference is made to the said Act for the complete text of the provisions under which the foregoing rights are conferred and the foregoing summary is subject to the express provisions thereof.

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THE COMPANY

Industrial Growth Fund Limited (the "Company") was incorporated under the laws of the Province of Ontario by letters patent dated July 21, 1967 to be manager-trustee for and to act as the exclusive general distributor of units of Industrial Growth Fund ("I.G.F."), a mutual investment trust. The Company also makes investments for its own account. The head and principal office of the Company is located at 238 Bloor Street West, Toronto, Ontario.

I.G.F. commenced active operations in April, 1968 and from such commencement to December 31, 1968 has grown from \$100,000 in net assets to \$2,608,813 in net assets. Net asset value per unit has increased during the period from \$9.20 per unit to \$12.39 per unit. The Governors of I.G.F. are R. C. W. Mauran, the President of the Company; D. C. Webster, President of Neptune Terminals Limited; H. F. McLelland, Investment Dealer, McLeod, Young, Weir & Company Limited; J. A. Stephenson, the Secretary-Treasurer of the Company and G. B. Sukornyk, Q.C., a Vice-President of the Company.

CAPITALIZATION

<u>Security</u>	<u>Authorized</u>	<u>Outstanding as at January 4, 1969</u>	<u>Outstanding as at January 23, 1969</u>	<u>Outstanding after issue of common shares offered hereby</u>
5% Subordinated Debentures due January 31, 2009 (1)	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000
7% Non-cumulative redeemable non-voting preference shares with a par value of \$10 each (2)	1,000,000 shs. (\$10,000,000)	900,000 shs. (\$9,000,000)	900,000 shs. (\$9,000,000)	900,000 shs. (\$9,000,000)
Common shares without par value (3)	1,500,000 shs. (\$10,000,000)	240,000 shs. (\$239,910)	240,000 shs. (\$239,910)	300,000 shs. (\$ 659,910)

NOTES TO CAPITALIZATION TABLE

- (1) The 5% Subordinated Debentures due January 31, 2009 are subordinated in right of repayment to all other indebtedness of the Company except to the extent that the terms of any such indebtedness specifically provide that such indebtedness is not superior to such Debentures in right of repayment.
- (2) Further particulars of the 7% non-cumulative redeemable non-voting preference shares with a par value of \$10 each are given under the heading "Preference Shares" on page 3 hereof.
- (3) Warrants entitling the bearers to purchase 800,000 unissued common shares of the Company are presently outstanding. Further particulars of such warrants are given under the heading "Rights to Purchase Common Shares" on page 4 hereof.

BUSINESS

The Company acts as manager-trustee of I.G.F. pursuant to an agreement (the "Management Agreement") dated October 2, 1967, as amended, between the Company and I.G.F. The Management Agreement continues from year to year unless terminated (i) by 120 days' written notice by the Company to I.G.F., or (ii) by either the Company or I.G.F. on termination of the Distribution Agreement hereinafter referred to under which the Company acts as the exclusive general distributor of units of I.G.F.

Under the terms of the Management Agreement the Company performs the following investment management functions:

- (i) Obtain, evaluate and report monthly to I.G.F. on significant current information and data, domestic and foreign, relating to the economy generally, to the particular investments of I.G.F. or any of them and to any security or securities which the Company considers desirable for inclusion in the investments of I.G.F.;
- (ii) Obtain, evaluate (if requested) and report promptly to the Governors of I.G.F. on information and data reasonably obtainable which the Governors may request in writing relating to the economy generally, to the particular investments of I.G.F. or any of them or to any particular security or securities;
- (iii) From time to time make written recommendations to I.G.F. relating to the investment and reinvestment of I.G.F.'s cash, to the sale of securities included in the investments of I.G.F. and to program for the purchase and/or sale of securities generally, securities of a particular class or kind or securities of a particular issuer;
- (iv) Take, on behalf of I.G.F., all such actions as the Company deems desirable or expedient to give effect to a decision of I.G.F. to invest or re-invest any cash in, or to purchase or sell securities generally, securities of a particular class or kind or securities of a particular issuer, including the placing of orders for the purchase and/or sale of such securities; and
- (v) Generally assist the Governors of I.G.F. in determining and implementing the investment policy of I.G.F.

The aforesaid functions involve a periodic review of world economic conditions with careful investigation of certain industries and companies in North America. The Company's management is experienced in carrying

out these functions and is responsible for the investment of the I.G.F. portfolio. In connection with its performance of these functions, the Company has associations with research departments of major investment institutions in Canada and the United States.

Under the Management Agreement, the Company is entitled to receive an annual fee of not more than 1% of the average weekly net asset value of I.G.F., computed and payable monthly on the last business day of each month.

By an agreement (the "Service Agreement") made as of October 2, 1967, as amended, between the Company and I.G.F., commencing April 1, 1969 the Company provides all facilities necessary for the ordinary business of I.G.F. and pays all expenses of I.G.F. except the management fee payable under the Management Agreement, the service fees payable under the Service Agreement, brokerage charges and taxes. The Service Agreement may be terminated by either party at any time upon 60 days' written notice.

Pursuant to an agreement (the "Distribution Agreement") made as of October 2, 1967, as amended, between the Company and I.G.F., the Company was appointed the exclusive sales distributor of units of I.G.F. The Company pays all selling expenses incurred in distribution of units of I.G.F. The Company is entitled to acquire units as agent at net asset value and charge a commission on the amount subscribed at rates not in excess of those set forth in the current prospectus of I.G.F. on the sale of such units. Where units are sold through a registered security dealer the commission may be divided between the Company and such security dealer at the discretion of the Company. The Sales Agreement continues in force from year to year until terminated by either party on 60 days' written notice.

Commissions currently authorized are as follows:

<u>Amount Subscribed</u>	<u>Rate of Commission</u>
\$ 1,000 up to \$ 15,000	8¾%
\$ 15,001 up to \$ 25,000	7½%
\$ 25,001 up to \$ 50,000	6½%
\$ 50,001 up to \$100,000	4½%
\$100,001 up to \$250,000	2½%
Over \$250,001	not more than 1%

The Company did not charge any commission on the sale of units of I.G.F. up to March 1, 1969 but intends to charge such commissions on sales of units made to the public after that date.

In addition to its principal activities as manager-trustee of I.G.F., the Company also holds investments from which it derives substantial income. The investments of the Company are managed by its board of directors. The Company does not restrict itself as to the type of investment which it may make when it has funds available for investment although the Company is primarily interested in income producing investments usually of a non-marketable nature. The Company does not place any restriction on the percentage of its assets which may be invested in the securities of any one issuer. The Company does not normally make investments for the purpose of exercising management or control but this policy will not apply in the case of any investment which the Company may make for the purpose of expanding its activities in the investment fund field as described below. The Company does not retain a custodian to hold its securities for safekeeping. The Company's securities are kept in its bank safety deposit box to which only the President of the Company or such person or persons as he may appoint have access. Reference is made to the financial statements accompanying this prospectus for details of the Company's investments as at January 4, 1969.

The Company intends to expand its activities in the investment fund field. In this connection the Company is investigating the possible acquisition of other companies engaged in the investment fund management field and the possible institution of investment funds in addition to I.G.F.

USE OF PROCEEDS

The estimated net proceeds to be derived by the Company from the sale of the 60,000 common shares offered by this prospectus is \$398,000 after deducting underwriting commissions of \$7,000 and legal, audit and other expenses estimated not to exceed \$15,000.

Such estimated net proceeds will be added to the existing funds of the Company. The Company will use its funds to further its planned expansion of its activities in the investment fund field and for other investments. Pursuant to a letter agreement dated January 23, 1969 between the Company and Grissol Foods Limited ("Grissol") the Company has agreed, subject to certain conditions, to purchase on or about June 2, 1969 for an aggregate purchase price of \$2,000,000, \$2,000,000 principal amount of 7¾% First Mortgage Sinking Fund Bonds, Series A of Grissol together with share purchase warrants entitling the bearers to purchase 200,000 common shares of Grissol up to June 1, 1989 at a price of \$10 per common share. The said share purchase warrants will become exercisable as to 10,000 common shares commencing June 1 in each of the years 1969 to 1973 inclusive and as to the balance of 150,000 common shares commencing June 1, 1974.

UNDERWRITING

Pursuant to an agreement (the "Underwriting Agreement") dated March 17, 1969, the Company has agreed to sell and Midland-Osler Securities Limited (the "Underwriter") has agreed as principal to purchase as fully paid and non-assessable shares the 60,000 shares offered by this prospectus at a price of \$7.00 per share and the Company has agreed to pay the Underwriter a commission of \$7,000. The purchase price is payable in cash against delivery of certificates for the common shares and upon and subject to the terms and conditions set out in the Underwriting Agreement. In certain circumstances the Underwriter has the right to withdraw from its obligation to purchase the common shares but in no event may it purchase only part of the common shares. The common shares may be offered to the public at any price or prices not exceeding the price to the public set forth on the facing page of this prospectus. The Underwriting Agreement further provides that the Underwriter shall be entitled to act as the fiscal agent of the Company for a period of five years from the date of the Underwriting Agreement on a first refusal basis.

DESCRIPTION OF SHARES

The authorized capital of the Company consists of 1,000,000 7% non-cumulative redeemable non-voting preference shares (the "Preference Shares") with a par value of \$10 each and 1,500,000 common shares (the "common shares") without par value.

Preference Shares

The Preference Shares are entitled to a non-cumulative dividend in each year in the discretion of the directors of the Company at the rate of 7% of the amount paid up thereon in priority to the payment of any dividend on the common shares but are not entitled to receive any other dividend. In the event of the liquidation of the Company, the holders of the Preference Shares are entitled to receive out of funds available for distribution to shareholders the amount paid up thereon together with any dividends declared and unpaid thereon but no more before any distribution is made to the holders of the common shares. The Company may purchase the Preference Shares for cancellation or may redeem the Preference Shares. The holders of the Preference Shares are not entitled to vote at meetings of the shareholders of the Company. All presently outstanding Preference Shares are fully paid and non-assessable shares.

Common Shares

The common shares rank junior to the Preference Shares in all respects. The common shares rank equally with each other with respect to dividends and rights on liquidation of the Company and have no pre-emptive or conversion rights. The holders of the common shares are entitled to one vote for each share held at all meetings of shareholders of the Company. All presently outstanding common shares are fully paid and non-assessable shares.

DIVIDENDS

The Company has not paid any dividends since its incorporation. The holders of the Preference Shares of the Company have waived the right to the payment of dividends thereon for a period of 10 years from January 1, 1969.

DIRECTORS AND OFFICERS

The following are the names, home addresses and principal occupations for the preceding five years of the directors and officers of the Company:

<u>Name and Address</u>	<u>Office Held</u>	<u>Principal Occupation</u>
Richard Charles Wilfred Mauran, 95 Ardworld Gate, Toronto, Ontario.	President and Director	Executive; Harvey's Foods Limited; Grissol Foods Limited; Swiss Chalet Bar-B-Q Limited (Prior to July 1967).
George Bernard Sukornyk, Q.C. 23 Oxbow Road, Willowdale, Ontario.	Vice-President and Director	Queen's Counsel; Executive, Harvey's Foods Limited and Barrister and Solicitor.
John Warren Nevil Thomas, 93 Bidewell Avenue, Downsview, Ontario.	Vice-President and Director	Security Analyst; Midland-Osler Securities Limited (September 1967 to date); Pitfield, Mackay, Ross & Company Limited (November 1964 to August 1967); Dominion Securities Limited (Prior to November 1964).
James Arthur Stephenson, 56 Chaplin Crescent, Toronto, Ontario.	Secretary-Treasurer and Director	Barrister and Solicitor; Beaton, Leake & Fellowes.

<u>Name and Address</u>	<u>Office Held</u>	<u>Principal Occupation</u>
Alexander Christ, 107 Kingston Road East, Pickering, Ontario.	Director	Security Analyst Industrial Growth Fund Limited; Bache & Co. (March 1966 to March 1969); Dominion Securities Corporation Limited (Prior to March 1966).
Irmgard Schulz, Apt. 1212 65 High Park Avenue, Toronto, Ontario.	Assistant Secretary	Bookkeeper; Industrial Growth Fund Limited (April 1968 to date); Swiss Chalet Bar-B-Q Limited (Prior to April 1968).

During its first financial year ended January 31, 1968, the Company paid no remuneration to its directors and senior officers. For the 11 month period ended December 31, 1968 the Company paid no remuneration to its directors and paid remuneration to its senior officers (as defined in The Securities Act, 1966) in the aggregate amount of \$5,128.

FOUNDER

Mr. R. C. W. Mauran, the President of the Company, is the founder of the Company. Pursuant to a written subscription by Mr. Mauran dated February 1, 1968 Mr. Mauran purchased on that date 60,000 Preference Shares of the Company and satisfied the purchase price of \$600,000 therefore (A) by the transfer to the Company of (i) securities and mortgages valued by the Company at a fair market value of \$251,550 (being the cost thereof to Mr. Mauran) and (ii) cash in the amount of \$344,770 and (B) by the cancellation of indebtedness of the Company to Mr. Mauran in the amount of \$3,680 on account of fees for the incorporation of the Company paid by Mr. Mauran.

Pursuant to an oral agreement between the Company and Mr. Mauran, on July 23, 1968 Mr. Mauran transferred to the Company securities and a mortgage valued by the Company at \$1,595,000 in exchange for 150,000 Preference Shares of the Company and a 7% promissory note of the Company in the principal amount of \$95,000 payable on demand. Mr. Mauran waived payment of all interest on the said promissory note up to the time of its redemption. Certain of these securities and the mortgage valued by the Company at a fair market value of \$1,175,000 were acquired by Mr. Mauran at a cost of \$1,175,000. The remainder of these securities were acquired by Mr. Mauran more than two years prior to the date of this prospectus and were transferred to the Company at market value.

Pursuant to a written agreement dated July 30, 1968 between the Company and Mr. Mauran, Mr. Mauran transferred to the Company on July 31, 1968 securities valued by the Company and by a recognized firm of investment dealers at \$11,077,525 in exchange for 290,000 Preference Shares of the Company and a 7% promissory note of the Company in the principal amount of \$8,177,525 payable on demand. Mr. Mauran waived payment of all interest on the said promissory note up to the time of its redemption. The securities so transferred were acquired by Mr. Mauran as a distribution on the winding-up of Swiss Chalet Bar-B-Q Limited and their cost to Mr. Mauran is not reasonably ascertainable.

Pursuant to an oral agreement between the Company and Mr. Mauran, on January 2, 1969 Mr. Mauran exchanged \$4,000,000 principal amount of the aforesaid promissory notes for 400,000 Preference Shares of the Company and a further \$1,000,000 principal amount of the aforesaid promissory notes for \$1,000,000 principal amount of 5% Subordinated Debentures due January 31, 2009 of the Company and share purchase warrants entitling the bearers to subscribe for 200,000 common shares of the Company. On January 2, 1969, Mr. Mauran also purchased at a price of \$3,000,000 a further \$3,000,000 principal amount of the said 5% Subordinated Debentures due January 31, 2009 and share purchase warrants entitling the bearers to subscribe for 600,000 common shares of the Company.

Pursuant to oral subscriptions by Mr. Mauran, on July 21, 1967 Mr. Mauran purchased 97 common shares of the Company at an aggregate price of \$9.70 and on January 2, 1969 purchased a further 239,900 common shares of the Company at an aggregate price of \$239,900, which price was satisfied as to \$229,000 by the surrender of \$229,000 principal amount of a 7% promissory note of the Company and as to \$10,900 by the payment of cash.

RIGHTS TO PURCHASE COMMON SHARES

Pursuant to an indenture (the "Warrant Indenture") made as of December 15, 1968 between the Company and The Canada Trust Company, as trustee, the Company has issued share purchase warrants (the "Warrants") dated January 2, 1969 entitling the bearers thereof to purchase at any time after the date thereof an aggregate number of 800,000 common shares of the Company at the price of \$10 per share as adjusted from time to time in accordance with the provisions of the Warrant Indenture.

The Warrant Indenture also provides that (subject to certain exclusions including the 60,000 common shares offered by this prospectus and the 240,000 common shares outstanding at the date hereof) in the case of

the issuance by the Company after December 15, 1968 of any non-redeemable shares in the capital of the Company, the Company will issue to the bearers of the Warrants concurrently with the issue of such shares, share purchase warrants entitling the bearers to subscribe for an unlimited period of time for shares of the kind then issued at a subscription price for each such share equal to the price at which each such share was issued subject to adjustment on the same basis as the subscription price for the Warrants. The number of shares in respect of which such share purchase warrants are issuable is 70% of the number of such shares issued at each such time reduced by the percentage which the then exercised Warrants are of the originally authorized amount of Warrants. The Warrant Indenture further provides that in the case of the issuance by the Company of securities convertible into or rights to purchase non-redeemable shares of the Company such securities are deemed to be converted and such rights are deemed to be exercised on the date of issuance of such securities or rights, as the case may be, for the purpose of computing the entitlement of the bearers of the Warrants to additional share purchase warrants.

Mr. R. C. W. Mauran is the beneficial owner of Warrants to purchase 10,000 common shares.

PRINCIPAL HOLDERS OF SECURITIES

The following is information pertaining to each holder of equity shares of the Company owning of record or known to the Company to own beneficially, either directly or indirectly, at the date hereof more than 10% of the equity shares of the Company:

Name and Address	Designation of Class	Type of Ownership	Number of Shares Owned	Percentage of Outstanding Shares
R. C. W. Mauran, 95 Ardwood Gate, Toronto, Ontario.	Common Shares without par value.	Record and Beneficial as to 215,997 shares. Beneficial only as to 3 shares.	216,000	90%

The directors and senior officers of the Company as a group beneficially own 99.2% of the outstanding common shares of the Company.

PRIOR SALES OF COMMON SHARES

On January 2, 1969 the Company issued 239,900 common shares at a price of \$1.00 per share, which price was satisfied as to \$229,000 by the surrender of \$229,000 principal amount of a 7% promissory note of the Company and as to \$10,900 by the payment of cash.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Company are Price Waterhouse & Co., Chartered Accountants, Toronto-Dominion Centre, Toronto, Ontario.

The transfer agent and registrar for the common shares of the Company is The Canada Trust Company, 110 Yonge Street, Toronto, Ontario.

MATERIAL CONTRACTS

The Company has entered into the following material contracts since its incorporation:

1. The Management Agreement described under the heading "Business";
2. The Service Agreement described under the heading "Business";
3. The Distribution Agreement described under the heading "Business";
4. The agreement between the Company and Grissol referred to under the heading "Use of Proceeds";
5. The Underwriting Agreement described under the heading "Underwriting";
6. The Warrant Indenture described under the heading "Rights to Purchase Common Shares";
7. An indenture made as of the 15th day of December, 1968 between the Company and The Canada Trust Company, as trustee, providing for the issuance of \$4,000,000 aggregate principal amount of 5% Subordinated Debentures due January 31, 2009 of the Company; and
8. The transactions described under the heading "Founder".

Copies of the contracts referred to in Items 1 to 7 above and of the written contracts evidencing the transactions referred to in Item 8 above can be inspected during normal business hours at the head office of the Company during the period of primary distribution of the securities offered by this prospectus.

INDUSTRIAL GROWTH FUND LIMITED

BALANCE SHEET AND PRO FORMA BALANCE SHEET

As At January 4, 1969

(after giving effect in the pro forma balance sheet to the transactions set forth in Note 1 to the financial statements)

ASSETS

	Balance sheet	Pro forma balance sheet
CURRENT ASSETS:		
Cash and bank deposit receipts	\$ 321,006	\$ 719,006
Short-term commercial notes	2,494,261	2,494,261
Serial debentures — amount due within one year	240,000	240,000
Accrued interest receivable	35,816	35,816
Other accounts receivable, deposits and advances	31,988	31,988
Total current assets	3,123,071	3,521,071
INVESTMENTS, AT COST:		
With quoted market value (Market value \$645,176)	520,000	520,000
Without quoted market value	10,441,367	10,441,367
	10,961,367	10,961,367
Leasehold improvements, at cost	2,725	2,725
	<u>\$14,087,163</u>	<u>\$14,485,163</u>

LIABILITIES

CURRENT LIABILITIES:		
Accounts payable and accrued liabilities (Note 3)	\$ 401,244	\$ 401,244
Income taxes payable	24,785	24,785
Total current liabilities	426,029	426,029
5% subordinated debentures due January 31, 2009 (Note 6)	4,000,000	4,000,000
Total liabilities	<u>4,426,029</u>	<u>4,426,029</u>

SHAREHOLDERS' EQUITY

CAPITAL STOCK:		
Authorized —		
1,000,000 7% non-cumulative redeemable non-voting preference shares with a par value of \$10 each		
1,500,000 common shares without par value		
Issued and fully paid —		
900,000 preference shares (Note 4)	9,000,000	9,000,000
240,000 common shares (pro forma — 300,000 common shares) (Notes 5 and 6)	239,910	659,910
Retained income	421,224	399,224
	<u>9,661,134</u>	<u>10,059,134</u>
	<u>\$14,087,163</u>	<u>\$14,485,163</u>

Approved on behalf of the Board:

J. W. NEVIL THOMAS, Director.

J. A. STEPHENSON, Director.

INDUSTRIAL GROWTH FUND LIMITED

STATEMENT OF INVESTMENTS

January 4, 1969

INVESTMENTS WITH QUOTED MARKET VALUE:	Par value or number of shares	% of Issue Owned	Cost	Quoted Market value
Grissol Foods Limited				
Common shares	60,000	10%	\$ 420,000	\$ 510,000
Industrial Growth Fund				
Mutual fund shares	10,875	5%	100,000	135,176
			<u>\$ 520,000</u>	<u>\$ 645,176</u>
INVESTMENTS WITHOUT QUOTED MARKET VALUE:				
Shares:				
Canadian Reserve Investors Ltd.				
Common	119,680	26%	\$ 60,201	
G. Gordon Symons Ltd.				
Cumulative redeemable preferred	800	11%	8,000	
Common	160	2%	1,600	
Chateau Montlabert				
Common	1%	1%	4,400	
Harvey's Foods Limited				
5½% cumulative redeemable first preference shares, series A	10,000	100%	500,000	
Second preference shares (convertible)	10,400	100%	5,767,725	
Share purchase warrants:				
Harvey's Foods Limited				
Series 2 (1967)	130,000	100%	2,765,100	
Series 3 (1968)	10,000	67%	212,700	
Debentures and Notes:				
J. W. Colin				
6% demand note	\$ 16,000	100%	15,720	
Harvey's Foods Limited				
7½% sinking fund debentures, series A	\$ 55,000	73%	55,000	
7½% serial debentures, series C	\$ 540,000	100%	540,000	
Less — due within one year, included in current assets	\$ 240,000		240,000	
			<u>\$ 300,000</u>	<u>300,000</u>
8½% convertible debentures, series D	\$ 205,000	80%	205,000	
The Queensbury Inn Ltd.				
7% promissory notes due May 13, 1974	\$ 80,000	100%	80,000	
Rapid Data Systems & Equipment Ltd.				
7% subordinated notes (convertible)	\$ 100,000	50%	100,000	
8% series A notes	\$ 20,000	3%	19,900	
Mortgages:				
J. W. Colin				
Second mortgage — 7% due August 1, 1972		100%	15,000	
Maco Farms Limited				
First mortgage — 6% due May 1, 1992		100%	11,633	
Second mortgage — 6% due May 1, 1992		100%	19,388	
The Queensbury Inn Ltd.				
First mortgage — 7% due May 13, 1974		100%	300,000	
			<u>\$10,441,367</u>	

INDUSTRIAL GROWTH FUND LIMITED

STATEMENT OF INCOME AND EXPENSES AND RETAINED INCOME

For the Period from February 1, 1968 to January 4, 1969

INCOME:

Interest	\$ 78,554
Dividends	21,312
Management fees	9,674
Service fees	4,500
	<u>114,040</u>

EXPENSES:

Interest and bank charges (Note 7)	12,865
Salaries	5,128
Office and general	3,956
Legal and audit	5,334
Income taxes	24,785
Miscellaneous	6,164
	<u>58,232</u>
Income before extraordinary items	55,808
Gain on sale of investments	371,221
Incorporation expenses	(5,805)
Net income for the period and retained income as at January 4, 1969	<u>\$ 421,224</u>

INDUSTRIAL GROWTH FUND LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

	July 21, 1967 to January 31, 1968	February 1, 1968 to January 4, 1969
SOURCES OF FUNDS:		
Net income	\$ —	\$ 421,224
Less — Gain on sale of investments	—	371,221
	—	50,003
Issue of common shares	10	239,900
Issue of preference shares	—	4,348,450
Issue of debentures	—	4,000,000
Sales of investments	—	2,877,130
	10	11,515,483
APPLICATION OF FUNDS:		
Purchases of investments	—	8,815,726
Acquisition of leasehold improvements	—	2,725
	—	8,818,451
Increase in funds for the period	\$10	\$ 2,697,032

INDUSTRIAL GROWTH FUND LIMITED

NOTES TO FINANCIAL STATEMENTS

January 4, 1969

1. The pro forma balance sheet is presented after giving effect to:
 - (i) the issue and sale for \$420,000 by the company to Midland-Osler Securities Limited pursuant to an agreement dated March 17, 1969 of 60,000 common shares at a price of \$7.00 per share.
 - (ii) charges to earned surplus of \$22,000 in respect of the disbursement for underwriting commissions of \$7,000 and of \$15,000 for estimated expenses in connection with the issue and sale of the 60,000 common shares.

2. The company was incorporated on July 21, 1967 under the laws of the Province of Ontario but did not commence active operations until February 1968.

3. On December 20, 1968 the company sold 12,000 shares of Harvey's Foods Limited against delivery of borrowed securities. The company's portfolio of investments includes securities which are convertible into common shares of Harvey's Foods Limited and from which return of the borrowed securities may be made. The net proceeds of \$384,976 have been included in accounts payable and accrued liabilities in the balance sheet and no gain or loss on sale of investments has been recorded pending completion of this transaction.

The company has assigned certain of its investments as collateral against the loan of 12,000 shares of Harvey's Foods Limited.

4. The following preference shares of the company were issued during the period July 21, 1967 to January 4, 1969 for a consideration other than cash:

<u>Date</u>	<u>Consideration</u>	<u>Number of shares</u>
February 1, 1968	securities and mortgages valued by the company at \$251,550 and incorporation fees of \$3,680	25,523
July 23, 1968	securities and a mortgage valued by the company at \$1,500,000	150,000
July 31, 1968	securities valued by the company at \$2,900,000	290,000
January 2, 1969	\$4,000,000 principal amount of a 7% promissory note of the company	400,000
		<u>865,523</u>

The remaining 34,477 outstanding preference shares were issued for cash.

5. On January 2, 1969 the company issued 229,000 common shares in exchange for \$229,000 principal amount of a 7% promissory note of the company. The remaining 11,000 outstanding common shares were issued for cash.

6. Outstanding Common Share Purchase Warrants and Debentures —

On January 2, 1969 the company issued 5% subordinated debentures due January 31, 2009 in the principal amount of \$4,000,000 and share purchase warrants entitling the bearers to subscribe for 800,000 common shares of the company in exchange for \$1,000,000 principal amount of a 7% promissory note of the company and \$3,000,000 cash. The share purchase warrants entitle the bearers to purchase at any time an aggregate of 800,000 common shares of the company at a price of \$10 per share as adjusted from time to time in accordance with the provisions of a warrant indenture made as of December 15, 1968.

7. Interest on 7% demand notes of the company in the principal amounts of \$8,177,525 and \$95,000 which were outstanding for the periods from July 31, 1968 to January 2, 1969, and July 23, 1968 to January 2, 1969 respectively, was waived by the owner thereof and, as a result, no provision has been made in the accounts for such interest.

8. In accordance with a letter agreement dated January 23, 1969 between the company and Grissol Foods Limited the company has agreed, subject to certain conditions, to purchase on or about June 2, 1969 for an aggregate purchase price of \$2,000,000, \$2,000,000 principal amount of 7¾% First Mortgage Sinking Fund Bonds, Series A of Grissol together with share purchase warrants entitling the bearers to purchase 200,000 common shares of Grissol up to June 1, 1989 at a price of \$10 per common share. The said share purchase warrants will become exercisable as to 10,000 common shares commencing June 1 in each of the years 1969 to 1973 inclusive and as to the balance of 150,000 common shares commencing June 1, 1974.

To the Directors of
Industrial Growth Fund Limited:

We have examined the balance sheet and the statement of investments of Industrial Growth Fund Limited as at January 4, 1969 and the statements of income and expenses and retained income and source and application of funds for the period from incorporation on July 21, 1967 to January 4, 1969. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the company as at January 4, 1969 and the results of its operations and the source and application of its funds for the period from incorporation on July 21, 1967 to January 4, 1969, in accordance with generally accepted accounting principles applied on a consistent basis.

We have also examined the pro forma balance sheet of Industrial Growth Fund Limited as at January 4, 1969 and, in our opinion, it presents fairly the financial position of the company as at that date after giving effect to the transactions set forth in Note 1 to the financial statements.

Toronto, Ontario,
March 17, 1969.

PRICE WATERHOUSE & CO.,
Chartered Accountants.

CERTIFICATES

Dated: March 17, 1969.

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part VII of the Securities Act, 1966 (Ontario) and the regulations thereunder.

(Signed) R. C. W. MAURAN,
Chief Executive Officer

(Signed) G. B. SUKORNYK,
Chief Financial Officer

On behalf of the Board:

(Signed) J. W. NEVIL THOMAS,
Director

(Signed) J. A. STEPHENSON,
Director

(Signed) R. C. W. MAURAN

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part VII of the Securities Act, 1966 (Ontario) and the regulations thereunder.

MIDLAND-OSLER SECURITIES LIMITED

By: (Signed) J. T. SKELLY

The following includes the names of all persons having an interest, directly or indirectly, to the extent of not less than 5% in the capital of Midland-Osler Securities Limited: E. M. Kennedy, David B. Weldon, R. G. McCulloch, J. T. Skelly, E. H. Gunn, W. A. Stewart, C. W. McBride, T. W. Meredith and W. A. Dakin.

Industrial Growth Fund

Industrial Growth Fund

238 BLOOR ST. W.
TORONTO, ONTARIO M5S 1V3
TELEPHONE 921-2173

Manager

MACKENZIE FINANCIAL CORPORATION
238 BLOOR ST. W.
TORONTO, ONTARIO M5S 1V3

Trustees

ALEXANDER CHRIST
JAMES F. O'DONNELL
WILLIAM G. CRERAR
MICHAEL M. MACUIRE
JOHN R. FINLAY

Legal Counsel

DAY, WILSON, CAMPBELL

Auditors

COOPERS & LYBRAND

Registrar and Transfer Agent

MFS LIMITED

Custodian

MONTREAL TRUST COMPANY

The Industrial Group of Funds

- Industrial American Fund
- Industrial Dividend Fund Limited
- Industrial Equity Fund Limited
- Industrial Growth Fund
- Industrial Income Fund
- Industrial Pension Fund

Quarterly Report

June 30, 1979

INDUSTRIAL GROWTH FUND
To Our Unitholders

During the second quarter of 1979, the Canadian market continued to make upside progress while the U.S. market lagged behind. The latest round of international oil price increases and optimism about the political situation in Canada and pessimism about the political situation in the U.S. combined to make the Canadian market one of the most desirable in the world as perceived by foreign investors.

During the quarter ending June 30, 1979, your fund showed a gain of 8.9% in net asset value per share as compared with a gain of 10.4% for the Toronto Composite Index and a loss of 1.9% for the U.S. Dow Jones Industrial Index. For the 6 month period ending June 30, your fund showed a gain of 16.4% versus a gain of 23.5% for the Toronto Index and a gain of 4.6% for the Dow Jones Index.

There has been a remarkable change in investor attitudes and perceptions in North American markets during the past 4 1/2 years. During the 1975-6 period, the U.S. economy rose vigorously after a very painful recession and the 1976 election brought a new administration into office with hopes for improved leadership. The U.S. market rose in a spirited fashion during 1975-6 while the Canadian market lagged far behind and Canadian common stocks remained undervalued relative to their U.S. counterparts. Since the spring of 1978 the Canadian market has responded vigorously to a rising economy, rising metals prices, rising oil prices, a falling Canadian dollar, and a new political administration. The result is that Canadian common stocks are now valued at a premium to their U.S. counterparts and, in our opinion, the process will gradually reverse itself once again over the next 1-2 years. The key factors of influence will be a U.S. election in November 1980, the 750 point spread between the T.S.E. and the D.J.I. (they were both at 1000 at the end of 1976), the large negative yield spread in favour of long term bonds over common stocks, the unpleasant "clean-up" measures to be taken by the new Canadian government, and the likelihood of a rising Canadian dollar as energy projects commence construction.

In summary, we continue to believe that we are in a long term bull market. The only problem is that Canadian common stocks have now run ahead of both the economic recovery and other reasonable investment alternatives. Our tactics are to emphasize U.S. type issues and fixed income instruments until valuation levels once again allow us to add to Canadian issues.

The Portfolio

June 30, 1979	
Common Stocks 49.4%	
Capital Goods: 9.6%	
50,000 DuPont of Canada	1,168,750
300,000 Federal Industries	1,987,500
10,000 MacMillan Bloedel	263,750
48,700 Massey Ferguson	718,325
30,000 Moore Corp.	1,136,250
42,500 Union Carbide	1,009,375
Metals and Mining 9.1%	
325,000 Chimo	\$ 568,750
70,000 Conwest	525,000
50,000 Inco	1,218,750
148,200 Kerr Addison	1,759,875
72,100 Sigma	1,874,600

Energy: 6.6%	
15,600 Imperial Oil	596,700
400,000 Yellowknife Bear	3,700,000
Consumer Products and Services: 6.3%	
25,000 Dominion Stores	525,000
61,300 Extensicare 'A'	375,462
27,000 IAC Ltd	367,800
50,000 Oshawa Group	506,250
15,000 Steinberg's	425,000
95,000 Villacentres	412,500
35,000 Simpson Sears 'A'	617,500
65,500 Simpson Sears 'B'	310,625
	556,750

Regulated: 4.9%	
40,000 Alberta Gas Trunk Lines	990,000
15,000 Calgary Power	682,500
75,000 Trans Mountain Pipe Line	787,500
50,000 Westcoast Transmission	756,250
Miscellaneous: 12.9%	
	8,476,559
Cash & Short-Term Notes: 50.6%	
TOTAL NET ASSETS	33,089,074
NET ASSET VALUE PER SHARE	\$ 65,406,395
	\$ 6.25

The Growth Record

since inception	Dec 31 1967	June 30 1979	% Change
Industrial Growth Fund	1.15	6.25	+ 443.5%
Plus Dividends Paid		1.135	+ 98.7%
Industrial Growth Fund — Total Return			+ 542.2%
Toronto Composite Index	899.20	1618.41	+ 80.0%
Dow Jones Industrial Index	905.11	841.98	- 7.0%

A Description

Of Some Important Features Of The Fund

The Objectives of the Fund

The fund was designed to achieve long term capital appreciation by concentrating its assets in relatively few industries and companies which offer good value by tools of security analysis. This value approach is emphasized by the fact that we also regard capital preservation as an important objective of the fund. Rather than seeking popular issues, the fund seeks to invest in those companies which, in our opinion, the market does not value fully.

Registered Retirement Savings Plans (RRSP)

The fund is qualified to receive investments from individuals not members of another pension plan up to 20% of earned income or up to a maximum of \$5,500 annually. For individuals who are members of another pension plan, a maximum of \$3,500 may be contributed annually. The amounts contributed may be deducted from the investor's personal income for tax purposes. This plan offers the investor a tax saving along with a long-term investment.

Registered Home Ownership Savings Plans (RHOSP)

The fund is qualified to receive contributions from individuals who may invest up to \$1000 annually for a maximum of 10 years. The amounts invested may be deducted from the contributor's personal income for tax purposes. The investment may be used toward the purchase of a personal residence. The plan offers the investor a tax saving and a long term investment designed to encourage and facilitate home ownership.

Monthly Savings Plan

An investor can purchase the fund through systematic savings plans. This allows the investor to select both the amount and the frequency of his investment and establishes a regular investment habit. The plan is administered through the Montreal Trust Company.

* Table adjusted for 4 for 1 split as of August 19, 1977.

* Net Asset value per share at the end of each month.	1973	1974	1975	1976	1977	1978	1979
Jan	\$2.17	\$3.55	\$3.51	\$3.91	\$4.02	\$4.97	\$5.48
Feb	2.34	3.65	3.68	4.03	4.32	4.99	5.57
Mar	2.41	3.84	3.67	3.89	4.35	5.12	5.74
Apr	2.58	3.66	3.64	4.05	4.34	5.15	5.83
May	2.73	3.74	4.08	4.39	5.32	6.04	6.25
June	2.75	3.59	3.84	3.97	4.67	5.39	6.25
July	2.75	3.68	3.88	3.87	4.85	5.65	
Aug	2.65	3.43	3.81	3.78	4.81	5.85	
Sept	2.68	3.13	3.68	3.84	5.08	5.86	
Oct	2.72	3.38	3.60	3.86	5.02	5.72	
Nov	2.81	3.26	3.89	3.89	5.26	5.73	
Dec	3.18	3.20	3.65	4.24	5.43	5.86	
Dividends paid	—	—	—	—	\$.145	\$.42	\$.57

Industrial Growth Fund

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PURCHASER'S STATUTORY RIGHTS OF WITHDRAWAL AND RECESSION

The Securities Act, 1966 (Ontario) provides, in effect, that where a security is offered to the public in the course of primary distribution,

(a) a purchaser will not be bound by a contract for the purchase of such security if written or telegraphic notice of his intention not to be bound is received by the vendor not later than midnight on the second business day after the prospectus or amended prospectus offering such security is received or is deemed to be received by him or his agent;

(b) a purchaser has the right to rescind a contract for the purchase of such security, while still the owner thereof, if the prospectus or amended prospectus offering such security contains an untrue statement of a material fact or omits to state a material fact necessary in order to make any statement therein not misleading in the light of the circumstances in which it was made, but no action to enforce this right can be commenced by a purchaser after the expiration of 90 days from the later of the date of such contract or the date on which such prospectus or amended prospectus is received or is deemed to be received by him or his agent.

Reference is made to Sections 63 and 64 of The Securities Act, 1966 (Ontario) for the complete text of the foregoing provisions.

THE FUND

Industrial Growth Fund (hereinafter called the "Fund"), is a mutual investment fund established by Declaration of Trust made by Industrial Growth Fund Limited, the Manager-Trustee thereof. The address of the head office of the Fund is 238 Bloor Street West, Toronto, Ontario which is also the principal office of the Fund. Industrial Growth Fund Limited is a public Ontario Company but its shares are not being offered to the public. This Company acts as manager of the investment portfolio of an open-end investment trust known as Industrial Growth Fund whose shares are offered hereunder.

INVESTMENT OBJECTIVES OF THE FUND

In transacting the business of investing its assets in securities, the investment objective of the Fund is to seek possible long term appreciation of capital.

INVESTMENT POLICY OF THE FUND

The principal objective of the Fund is to seek above average growth or capital rather than current income. The governors of the Fund are of the opinion that the objectives of the Fund can best be attained by investing primarily in common stocks. Although equity investments will be emphasized, the Governors of the Fund will from time to time invest in other types of securities subject to the restrictions set out on page 3 hereof.

The Fund will be a diversified investment Fund and as such anticipates that at least two-thirds of any net gains realized from time to time will be in respect of securities held for more than 90 days by the Fund.

The Fund's portfolio will consist principally of Canadian and American securities. The Fund may invest in either equity or debt securities depending on the considerations prevailing at the time of investment. There is no limitation on the proportion of its assets which can be invested in either type of security.

The Fund may sell securities short and trade on margin but only in exceptional circumstances and not in the ordinary course of its day to day business. In addition, such techniques will never involve more than 33% of the Fund's net assets. In the event this policy is to be changed, the Fund will file an amended prospectus describing such change.

Investments may also be made in evidences of indebtedness issued by the Government of Canada or by any Province or Municipality in Canada. The Fund will not make loans, secured or unsecured or invest in real estate. The Fund does not propose to issue any security other than the shares offered hereunder.

GOVERNORS AND OFFICERS OF THE FUND

The Board of Governors (hereinafter called the "Governors") is an investment advisory committee appointed from time to time by the Manager-Trustee to advise the Manager-Trustee in matters pertaining to investment policy of the Fund and to approve the activities of the Manager-Trustee including the investment of the assets of the Fund, the issue of Shares of the Fund and the effecting of distribution of shares of the Fund. The names, home addresses, present occupations, directorships and business experience during the preceding five years of the Governors of the Fund are as follows:

***Richard Charles Wilfred Mauran**, 95 Ardworld Gate, Toronto, Ontario. Restaurant Executive; President, Swiss Chalet Bar-B-Q Limited; For the past five years, Chairman of the Board of Directors, Harvey's Foods Limited and Chairman of the Board of Directors, Gris-sol Foods Limited.

Donald Colin Webster, 75 Binscarth Road, Toronto, Ontario. Director, Executive, Seaway Terminals Limited. For the past five years, President, Neptune Terminals Limited.

Hugh Frank McLelland, Apt. 1412, 400 Walmer Road, Toronto, Ontario. Manager, Investment Dealer, McLeod Young, Weir & Company Limited. For the past five years, employee, McLeod, Young, Weir & Company Limited.

***James Arthur Stephenson**, 56 Chaplin Crescent, Toronto, Ontario. Barrister and Solicitor for the past five years. Partner, Beaton, Leake, Fellowes & Elashuk, 372 Bay Street, Toronto 1, Ontario.

***George Bernard Sukornyk**, 23 Oxbow Rd., Willowdale, Ont. Barrister. For the past five years, President and Director of Harvey's Foods Limited.

*These Governors are also directors of the Manager-Trustee.

Any governor, officer or employee of the Fund engaged in investment research or participating in any way in any investment decision with respect to the securities of a Company in which such Governor, officer or employee has any interest, direct or indirect must immediately disclose such interest when such investment decision is being considered.

INVESTMENT RESTRICTIONS

In the course of making its investments, the Manager-Trustee will not:

1. Invest more than 25% of the Fund's total assets (taken at market value at the time of investment) in securities of issuers engaged in any one industry;
2. Invest more than 10% of the Fund's total assets (taken at market value at the time of investment) in securities of any one issuer, except securities issued or guaranteed by the Government of Canada or any province of Canada or by the Government of the United States of America, and, subject to the provisions of paragraph 3 below, securities issued by another mutual investment fund company;

3. Invest in securities issued by another mutual investment fund company unless:
 - (a) the general investment aims of the said company are similar to those of the Fund.
 - (b) the said Company has complied with all requirements of the regulatory bodies having jurisdiction over the sale of securities of the said Company.
 - (c) no double load is charged on the investment, and
4. Purchase securities which are the object of an initial sale and distribution, unless:
 - (a) such securities may be lawfully sold in the jurisdiction in which the Fund and/or its Manager-Trustee are situate, and
 - (b) such securities may be lawfully sold in the jurisdiction in which the issuer is situate;
5. Purchase or sell commodities or commodity contracts;
6. Invest in any security which by its term may require the Fund to make an additional contribution;
7. Purchase any securities in which any of its directors have an interest as an underwriter or distributor (except securities issued by Canada or by the United States of America) unless and until any such security shall have been recommended unanimously by the Board of Directors of the Manager-Trustee for investment by the Fund and approved by at least three-quarters of all the Governors of the Fund.
8. Purchase any securities of an issuer in which any of its directors or Governors of the Fund hold more than a 10% interest.

MANAGER-TRUSTEE

By an agreement (hereinafter called the "Investment Management Agreement") made as of the 1st day of September, 1967, Industrial Growth Fund Limited, (hereinafter called "the Manager-Trustee") has agreed to act as investment manager and trustee for the Fund. The Manager-Trustee is authorized by its Letters Patent to perform such services for the Fund, but has retained the Canada Permanent Trust Company as custodian of

the Fund's securities. In its capacity as investment manager, the Manager-Trustee will:

(i) Obtain, evaluate and report monthly to the Fund on significant current information and data, domestic and foreign, relating to the economy generally, to the particular investments of the Fund or any of them and to any security or securities which the Manager-Trustee considers desirable for inclusion in the investments of the Fund;

(ii) Obtain, evaluate (if requested) and report promptly to the Governors of the Fund on information and data reasonably obtainable which the Governors may request in writing relating to the economy generally, to the particular investments of the Fund or any of them or to any particular security or securities;

(iii) From time to time make written recommendations to the Fund, relating to the investment and reinvestment of the Fund's cash, to the sale of securities included in the investments of the Fund and to programs for the purchase and/or sale of securities generally, securities of a particular class or kind or securities of a particular issuer.

(iv) Take, on behalf of the Fund, all such actions as the Manager-Trustee may deem desirable or expedient to give effect to a decision of the Fund to invest or re-invest any cash in, or to purchase or sell securities generally, securities of a particular class or kind or securities of a particular issuer, including the placing of orders for the purchase and/or sale of such securities; and

(v) Generally assist the Governors of the Fund in determining and implementing the investment policy of the Fund.

Responsibility for the management of the Fund, including the selection, purchase, sale and continuous supervision of the investments of the Fund, rests with the Manager-Trustee. In conjunction with such management, the Manager-Trustee is empowered to direct the Fund's bank as to the investment of cash comprising the assets of the Fund. Subject to the Service Agreement described on page 6, the Manager-Trustee also provides at its own expense all facilities necessary for the ordinary business of the Fund and pays all expenses of the Fund except auditing, legal, printing, banking and safekeeping. For these services, the Manager-Trustee is entitled (a) to receive an annual fee or not more than 1 percent of the average weekly net asset value of the Fund, computed and payable monthly on the last business day of each month, (b) to be reimbursed for its out-of-pocket expenses in connection with the issue of certificates for the maintenance of records of holders of Shares of the Fund at rates not exceeding those normally charged by corporate Trustees with respect to such matters, (c) to the sum of \$500.00 per month which the Fund contributes to the Manager-Trustee towards

the cost of office space, personnel and facilities provided by the Manager-Trustee for the benefit of the Fund all as set out on page 6 hereof.

The Investment Management Agreement made as of September 1st, 1967 continues in force from year to year until terminated as set out below by a majority of the votes cast at a meeting of the Governors of the Fund. The Investment Management Agreement may be terminated (i) by 120 days' written notice given by the Manager-Trustee to the Fund or (ii) by either party immediately upon the termination of the Sales Agreement described on page 18 of this prospectus. Neither the Fund nor the Manager-Trustee have a principal broker for the purpose of purchasing securities. Security transactions will be arranged through a large number of brokerage houses. Brokerage fees are paid at the most favourable rates available to the Fund and permitted by the rules of the appropriate stock exchange where applicable. Brokerage business is allocated where feasible to compensate brokers for information and studies to assist in obtaining a better performance for the Fund.

The names in full, present occupations and home addresses in full of the directors and executive officers of the Manager-Trustee are as follows:

Richard Charles Wilfred Mauran 95 Ardwood Gate Toronto, Ontario	Executive; President and Director
George Bernard Sukornyk 23 Oxbow Road Willowdale, Ontario	Barrister; Director and Vice-President
James Arthur Stephenson 56 Chaplin Crescent Toronto, Ontario	Barrister; Director and Secretary-Treasurer

As the date hereof the Directors and senior officers of the Manager-Trustee as a group beneficially own directly or indirectly all of the issued shares of the Manager-Trustee. Mr. Richard Charles Wilford Mauran owns beneficially 98 of the 100 issued common shares of the Manager-Trustee and in addition owns 10,875 Shares of the Fund. No remuneration is paid by the Fund to the Governors as the remuneration of the Governors is the responsibility of the Manager-Trustee.

CUSTODIAN OF SECURITIES

While the Fund is not a party to any trustee agreements whereby assets are held to protect the liability to the public in respect of the Shares offered hereby a chartered Canadian Bank or Trust Company will be Custodian of the Fund's cash and Investment Portfolio. The Fund's investments are physically situated in the Province of Ontario.

FINANCIAL POLICY

In conducting its business, the Fund will not:

- (i) Lend money to any officer or director of the Fund or Manager-Trustee, or
- (ii) Borrow money except under exceptional circumstances or for the purpose of purchasing shares for cancellation. The Fund's borrowings in any event will never exceed 5% of the Fund's total assets (taken at market value at the time of borrowing).

TAXATION OF THE FUND AND ITS SHAREHOLDERS

Statements of income for tax purposes, including direction as to the amount on which 20% dividend credit, depletion allowance and foreign tax credit (to the extent that foreign taxes have been withheld) may be taken and the related amount of expenses which may be claimed are sent to Shareholders annually. In the opinion of counsel for the Fund, so long as all annual net income is paid or payable to Shareholders as required by the Declaration of Trust, no income tax will be payable by the Fund under present legislation. Income from non-Canadian securities is usually subject to withholding tax in the country of origin. To the extent permitted by the applicable Canadian tax laws, the amount of any such tax so withheld may be deducted from Canadian income tax payable by the shareholders. To facilitate the preparation of individual income tax returns, shareholders receive a T-3 income form each year which identifies the nature and amount of the taxable income received by the shareholder from the Fund in the previous year.

CAPITALIZATION

The Shares offered by this Prospectus are units representing an undivided interest in a trust (the Fund) created by Declaration of Trust dated as of the 2nd day of October, 1967. The number of Shares which may be issued by the Fund is unlimited. The holders of Shares of the Fund are entitled to receive a copy of the Annual Financial Statement.

A Shareholder of record may require the Fund to purchase for cancellation all or any of the Shares held by such Shareholder by depositing the certificate or certificates therefor duly endorsed or accompanied by a proper instrument of transfer at the principal office of the Fund in the City of Toronto, together with a request that the Fund purchase the shares represented thereby. The Fund is obliged to purchase such Shares at the net asset value less one half of one percent thereof as of the close of business on the day on which such certificates are so deposited if that is a day upon which a determination of asset value is required to be made and if such

shares are deposited at or prior to 12 o'clock noon (Toronto time) on that day. If the day of deposit is not such a day or if such certificates are deposited after 12 o'clock noon, then the purchase price payable by the Fund for such Shares is the net asset value thereof as of the close of business on the next day upon which a determination of net asset value is required to be made. Payment for such Shares will be made in cash by the Fund within seven (7) days after the date upon which the certificates therefor are so deposited. If the determination of the purchase price is postponed by reason of a declaration by the Board of Governors suspending determination of net asset value, the right of the shareholder to have his Shares purchased by the Fund is similarly suspended and if the shareholder does not withdraw his certificate or certificates from deposit the purchase price payable by the Fund will be the net asset value determined as of the close of business upon the next day such a determination is made.

The Fund may also accept for surrender Shares by agreement with the holder thereof at a price not exceeding the asset value effective at some time other than as set out above.

The net asset value of each Share of the Fund as of any particular time is the quotient obtained by dividing the market value, as of such time, of the net assets of the Fund (that is, the then market value of the assets of the Fund less its liabilities) by the total number of Shares outstanding (exclusive of Shares purchased for cancellation) at such time.

Subject to the provisions contained in the following paragraph, the net asset value of each Share of the Fund for the purposes of the issue and redemption thereof shall be the net asset value thereof as determined at the close of business upon the Wednesday next succeeding the date which such subscription or application for redemption is received by or on behalf of the Fund; provided that if the Toronto Stock Exchange is not open on such day, the net asset value per share shall be determined as at the close of business on the next full business day on which the Toronto Stock Exchange is open following such Wednesday. The Board of Governors may also determine or cause to be determined the net asset value as of any particular time in addition to the close of business on such Wednesday, when the Toronto Stock Exchange is open, and fix the hour of such day when the net asset value so determined shall become effective. In each case the net asset value remains effective until a new net asset value is so determined and becomes effective. Any such determination of the net asset value so made is binding on all parties concerned.

The Board of Governors may declare a suspension of the determination of net asset value for the whole or any part of any period (a) during which any stock exchange on which securities owned by the Fund are listed is closed other than customary week-end and holi-

day closing, (b) during which trading on any such stock exchange is restricted or (c) during which an emergency exists as a result of which disposal by the Fund of securities owned by it is not reasonably practicable or it is not reasonably practicable for the Fund fairly to determine the value of its net assets. Such suspension shall take effect at such time as the Board of Governors shall specify and thereafter there shall be no determination of net asset value of shares of the Fund until the Board of Governors shall declare the suspension at an end except that the suspension shall terminate in any event on the first day of which the said exchange or exchanges shall be open (if the suspension was declared under class (a) of this paragraph) or following expiration of the period specified in class (b) or class (c) of this paragraph.

DIVIDENDS

As the Fund is a new fund, no dividends have been paid on its Shares. However, dividends if as and when earned, when paid, may be re-invested in further Shares of the Fund without further sales charge.

AUDITORS

The auditors of the Fund are Price, Waterhouse & Co., 55 Yonge Street, Toronto, Ontario.

REGISTRAR AND TRANSFER AGENT

The Registrar and Transfer Agent for the Shares of the Fund is the Canada Permanent Trust Company, 253 Bay Street, Toronto, Ontario.

SERVICE AGREEMENT

By an agreement (hereinafter called the "Service Agreement") made as of the 2nd day of October, 1967, between the Fund and the Manager-Trustee, the Fund contributes \$500.00 per month to the Manager-Trustee towards the cost of office space, personnel and facilities provided by the Manager-Trustee for the benefit of the Fund. The Manager-Trustee at its own expense supplies all additional office space, personnel and facilities necessary for the business of the Fund. The Service Agreement may be terminated by either party at any time upon 60 days' written notice.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of the business carried on by the Fund, the Fund has not entered into any material contracts within two years preceding the date hereof except for the following:

- (1) The Sales Agreement described on this page.

- (II) The Investment Management Agreement described on page 4 hereof; and
- (III) The Service Agreement described on this page.

Copies of the foregoing contracts may be inspected at the principal business office of the Fund during usual business hours.

DETAILS OF OFFERING

The Fund has never issued or agreed to issue Shares except for cash. The Fund has no share capital as such, and each Share represents an undivided interest in the property of the Fund. The price of Shares of the Fund offered hereby at the time of issue is determined in the manner described on pages 5 and 6 hereof, under the heading "Capitalization". The net asset value received for each Share is paid directly to the Fund.

No commission will be paid by the Fund in respect of the sale of Shares, although the Manager-Trustee will be entitled to sale commission from the purchasers of Shares.

USE OF PROCEEDS

The net proceeds derived from the sale of the Shares offered hereby will be invested in securities in pursuance of the objectives of the Fund. The amount of such net proceeds depends upon the net asset value per Share at the time such Shares are sold and no estimate of such amount can be made.

SALES AGENT

The Shares are offered continuously for sale to the public by the Manager-Trustee under an agreement (hereinafter called the "Sales Agreement") made as of the 2nd day of October, 1967, between the Governors on behalf of The Fund and the Manager-Trustee, wherein the Manager-Trustee has agreed to act as the agent of the Fund for the sale of shares to the public. Under the Sales Agreement, the Manager-Trustee pays the expenses of selling shares to the public, except for the auditing expenses and filing fees payable in connection with qualifying such Shares for sale to the public. The Manager-Trustee (or registered security dealers purchasing Shares through the Manager-Trustee) will sell Shares to the public at the net asset value of such Shares plus a commission on the amount subscribed on such cash sale not in excess of the following rates:

Table of Commissions on Cash Purchases

Amount Subscribed	Rate of Commission
Less than \$10,000.00	8-3/4%
\$10,000.00 up to \$20,000.00	not more than 6%
\$20,000.00 and over	not more than 5%

Where Shares are sold to the public by a registered security dealer who purchases such Shares from the Manager-Trustee, the said commission may be divided between the Manager-Trustee and such registered security dealer in the discretion of the Manager-Trustee.

The Sales Agreement is effective from the date of the prospectus and continues in force from year to year until sixty days written notice of termination has been given by one of the parties to the other.

INDUSTRIAL GROWTH FUND

STATEMENT OF ASSETS AND LIABILITIES OCTOBER 2, 1967

ASSETS

Cash \$100,000

SHAREHOLDERS' EQUITY

Shares issued and outstanding—
10,875 shares \$100,000

Net asset value per share \$9.20

Notes:

1. Industrial Growth Fund was created by a Declaration of Trust on October 2, 1967 but did not commence active operations on that date.
2. The shares of the Fund, which are redeemable at the option of the holder in accordance with the provisions of the Declaration of Trust, do not have a nominal or par value and the number of shares which may be issued is unlimited. 10,875 shares were issued on October 2, 1967 for a cash consideration of \$100,000.

APPROVED ON BEHALF OF THE BOARD OF GOVERNORS:

"R.C.W. MAURAN" Governor

"J. A. STEPHENSON" Governor

PRICE WATERHOUSE & CO. 55 YONGE STREET
TORONTO 1

October 31, 1967

AUDITORS' REPORT

To the Governors and Shareholders
of Industrial Growth Fund:

We have examined the statement of assets and liabilities of Industrial Growth Fund as at October 2, 1967. Our examination included such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion this financial statement presents fairly the financial position of the Fund as at October 2, 1967, in accordance with generally accepted accounting principles.

"PRICE WATERHOUSE & CO."
Chartered Accountants.

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part VII of The Securities Act, 1966 (Ontario) and the regulations thereunder and there is no further material information applicable other than in financial statements or reports where required or exigible.

DATED this 12th day of December, 1967.

"R.C.W. MAURAN"
CHIEF EXECUTIVE OFFICER
"G.B. SUKORNYK"
CHIEF FINANCIAL OFFICER

"J.A. STEPHENSON"
GOVERNOR

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part VII of The Securities Act, 1966 (Ontario), and the regulations thereunder and there is no further material information applicable other than in the financial statements or reports where required or exigible. In respect of matters which are not within our knowledge, we have relied upon the accuracy and adequacy of the foregoing.

MANAGER-TRUSTEE:
INDUSTRIAL GROWTH FUND LIMITED

"R.C.W. MAURAN"

Mr. Richard Charles Wilford Mauran is the only person or company who has an interest, either directly or indirectly, to the extent of not less than 5% of the capital of INDUSTRIAL GROWTH FUND LIMITED.

*Prospectus
January 1968
Relating to the offering
of shares of*



Industrial Growth Fund

*238 Bloor Street West
Toronto 5, Ontario
Telephone 921-3818
Canada*

NO SECURITIES COMMISSION OR SIMILAR AUTHORITY IN CANADA HAS IN ANY WAY PASSED UPON THE MERITS OF THE SECURITIES OFFERED HEREUNDER AND ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE. THIS PROSPECTUS IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, A PUBLIC OFFERING OF THE SECURITIES FOR SALE IN THE UNITED STATES OF AMERICA OR IN THE TERRITORIES OR POSSESSIONS THEREOF.

The shares offered hereby may be purchased for cash at the public offering price as defined herein. The maximum sales commission based on the public offering price, payable to the sales agent, is set out on page 6 of this Prospectus.